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EMPLOYMENT CREATION, JOB DISTRIBUTION AND PRODUCTIVITY ENHANCEMENT IN SWAZILAND

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1. GENERAL AND ECONOMIC BACKGROUND

Geographic Location of Swaziland

1.1 The Kingdom of Swaziland covers an area of 17,364 square kilometres, and lies between latitudes 26° and 27° S and longitudes 31° and 32° E, in south-eastern Africa. It is surrounded on the north, west and south sides by South Africa, and on the east by Mozambique. Swaziland has no direct access to the sea.

1.2 Geographically, Swaziland is divided into four distinct physiographic and climatic regions:

(a) The Highveld, which covers 29 percent of the total land area is mountainous with steep slopes, sour grasses and poor soils. This restricts meaningful economic agriculture to mainly grazing activities and except tobacco, there are no major cash crops grown in this region. It has however, two man-made forests plus some eucalyptus forests forming the renewable resource base. The non renewable resource of the area is asbestos in the north. Mbabane, the capital, is the main commercial support centre for this region.

(b) The Middleveld is generally hilly with several valleys, covering 26 percent of the total land area. It is the most arable, developed and densely populated. Citrus fruits and pineapples, cotton, maize and groundnuts constitute some of the cash crops for export. Both the second major town, Manzini, and the airport, Matsapha, are located in this region. It has the main industrial and manufacturing centre of the country.

(c) The Lowveld covering 37 percent of the total land area requires irrigation in most parts of the region. Cotton, sorghum and sugar cane by irrigation can be grown in this region. There are significant coal deposits and the country's only coal mine is located here.

(d) The Lubombo Plateau representing only 8 percent of the total area is sparsley populated and about 12 percent of the region has good arable land. Subsistence agriculture and cattle ranching are the principal activities of this region.

Transport and Communications

1.3 Swaziland has a very good road network and gives access to most areas of the country. Development of roads aims at linking rural areas with a potential for economic exploitation by converting subsistance to cash crop farming. Rural Development Authorities (RDA) established throughout the country to pool use of farming capital equipment and plant on a community basis. The rail network consists of a simple line running from west to east and another one from the centre to south. It carries only freight which includes sugar, wood-pulp, coal, malasses and fertilizer. The Royal Swazi National Airways Corporation provides air transportation to destinations in Kenya, Zimbabwe, Zambia and South Africa. Development of International Tourism through International Airways linking Europe with these countries.

Population

1.4 The vast population of Swaziland share a common language, tradition and history. Provisional figures from the 1986 population census are only global and merely give the total and regional population by sex. Such provisional figures give the total population of Swaziland as 676,089 persons of whom 320,726 (47.4 percent) are male and 355,363 (52.6 percent) are female. The population growth rate is estimated to be 3.2 percent per annum.

1.5 Manzini Region which has the industrial town of Matsapha has the highest population of 190,612 or 28.2 percent of the total population. It is followed by Hhohho Region where the capital Mbabane is located with a population of 179,194 or 26.5 percent of the total. Rural Shiselweni Region has a population of 153,873 or 22.8 percent and the least populated region is Lubombo with a population of 152,410 or 22.5 percent of the total population.

1.6 The average population density of 38.9 persons per square kilometre as of 1986 population census conceals a pattern of higher densities in the urban areas. The rate of urbanization is rapid at about 4.6 percent per annum.

1.7 Since the details of the 1986 population census results are not yet available, for purposes of this study, detailed employment figures used are based on the projections of the 1976 population census. The 1976 census revealed a youthful age structure of the population and this trend is bound to continue for sometime in the future. Approximately 50 percent of the total population were under 15 years of age, and this inevitably places severe strains on the social services especially education and training, and on the capacity of the economy to create and sustain productive employment. It also increases pressure on the country's financial resources.

Size of the Economy

1.8 The latest available figures show that the national economy, as measured by the Gross Domestic product, approximated US $477.7 million at 1983 market prices, growing at a rate of 1.7 percent constant 1982 - 83 prices. This resulted in a per capita income of about US $1,000.

Structure of the Economy

1.9 The economy has three basic structural features. It is an open economy, dominated by trade, a specialized economy, dominated by agriculture and foresty, and it is also a market economy, where the direct role of government in production is limited. Production, processing and trade in agricultural and forestry products are the major activities and generators of economic wealth. Traditional agriculture has a small contribution to the Gross Domestic Product because of its low productivity due to its subsistence nature.

1.10 The economy is structured on a renewable resource base producing a narrow range of export commodities. This structure that has arisen may be attributed to the relative size, geographic position and historical antecedents of the country. Sugar and wood-pulp industries are the two major export commodities earning foreign exchange. Proximity to a large industrialized country like South Africa has also influenced the specialisation of the economy by reducing the potential areas of diversification, as semi-processed products from Swaziland's manufacturing and processing sector find a ready market in South Africa. Industrial development has therefore, been particularly affected as South Africa is more able to attract new industries through its larger markets and financial and commercial support systems.

2. SWAZILAND LABOUR MARKET MECHANISM

2.1 In the absence of the detailed results from the 1986 population census, the projections of the 1976 population census show that the de facto working age population is estimated to be 301,960 by mid-1982 growing by 2.5 percent per annum. This is the population falling within the 15 - 64 age group. Of this potential labour force, 77,253 were estimated to be in wage employment constituting the formal economy. Thus the remaining 224,707 were presumed to be either occupied in the non-formal sector, particularly traditional agriculture or were simply unemployed. By 1982 therefore, approximately one person in every four was in wage employment in the formal sector of the economy. Wage employment constitutes mainly three sectors, namely, agriculture and forestry, manufacturing and government.

This excludes seasonal agricultural workers and self-employed people who are engaged in small scale unregistered economic activities in the informal sector.

2.2 Unemployment, for which no specific figures are available, appears to be increasing very fast in Swaziland. In general it seems that while modern sector employment is projected to grow at an estimated average annual rate of 1.8 percent, population growth is presently estimated to be 3.2 percent per annum. This will inevitably lead to a decline of the ratio of formal employment to population. This ratio was in 1980 estimated to drop from 12.3 percent to 11.3 percent by 1984 and trends indicate a furhter decline in the near future. On the average this implies that only one-third of each year's school leavers could in the past be absorbed by the country's formal sector. This position does not appear to have improved, on the contrary it is bound to become worse in the future.

2.3 Employment forecasts indicate that the composition of the population will continue to be dominated by a large number of young persons; half of the population is less than 15 years old. Thus the proportion of the population of school going age is and will continue to be high whilst the proportion of working age will be low. Inspite of this position though, the proportion of population in paid employment which is approximately 12.5 percent compares very favourable with other countries in Africa. In addition, another estimated 4.2 percent of the Swazi population find work outside the country, mainly on the farms and mines in South Africa. Thus the proportion of population, 16.7 percent in receipt of regular cash wages is considered very high given the relatively unique nature of the Swazi economy.

2.4 The estimated increase in active domestic labour force is 7000 persons per year but indications are that just about half this number per year will find jobs in the formal sector within Swaziland. Given this position that just half the people looking for formal sector jobs will actually find jobs, the rest will be forced either to migrate to the mines or be dependent upon self-support in the agricultural sector or, for a minority, upon irregular cash earnings in the informal sector.

2.5 The nature of the informal sector employment, including type of activity, hours worked, level of remuneration, sex distribution and amount of underemployment, is unknown. Certain surveys have in the past been conducted to assist in quantifying part of the economic and social conditions of this sector but it is not yet possible to make comparisons between the formal and this informal sector of the economy. This will be possible when it is decided to undertake a household income/expenditure survey, in future.

2.6 The rate of growth in formal sector paid employment has been very erratic during the last 10 year period. The highest rate of growth of 7.6 percent was achieved in 1978 but this fell drastically five years later to just 3.1 percent.

This had the effect of reducing the overall employment growth rate, leading to an absolute decline in employment of about 2,500 jobs, nearly all in the private sector. The effects of the world wide recession and the drought in Southern Africa led to substantial redundancies.

2.7 The distribution of formal sector employment has remained remarkably constant over the last ten years. Employment in the modern agricultural and forestry sectors predominated accounting, on average, for 36.0 percent of total formal sector paid employment. The social services were the next largest employer, 19.9 percent, followed by manufacturing 14.0 percent, especially agro-industries, and construction, 9.9 percent. The 1979 - 1982 period experienced rapid increase in the number of public sector employees, revealing an estimated growth rate of 5.8 percent per annum, more than twice that of the private sector. This increase was, in part, intensified by the proliferation of non-established or daily paid posts which are funded from government decentralized funds. These posts occur principally in the Ministry of Works, Power and Communications, Agriculture and Cooperatives and in the Ministry of Education.

2.8 The recent results of the Swaziland Manpower, Education and Training Survey conducted in 1986, give an estimate of 31,600 skilled jobs, including 537 vacancies. Government alone provide 43 percent of these jobs and also had the largest number, 365, of vacancies among them. People in skilled jobs comprised about 40 percent of the formally employed and of these 92 percent were Swazi citizens. While localization in skilled employment, as in total wage employment, is very high, the proportion of Swazis in the construction sector in skilled jobs was not as high, only less than 70 percent. Although the localisation situation appears generally satisfactory, closer examination of the structure of employment in terms of occupational and citizenship, reveals significant deficiencies in the employment or availability of indigenous manpower in certain critical fields as shown in Table I.

TABLE 1 STRUCTURE OF FORMAL SECTOR EMPLOYMENT, 1986

SECTOR	TOTAL EMPLOYMENT			SKILLED EMPLOYMENT			SKILLED VACANCIES	TOTAL SKILLED JOBS	SKILL INTENSITY	SKILLED VACANCY RATE	SKILLED LOCALISATION POSITION
	Swazi	Non Swazi	Total	Swazi	Non Swazi	Total					
Agriculture and Forestry	16244	458	16702	2399	342	2741	23	2764	16.5	0.8	87.5
Mining	2270	124	2394	288	123	411	17	428	17.8	4.0	70.1
Manufacturing	22709	667	23376	3266	514	3780	22	3802	16.2	0.6	86.4
Electricity	376	3	379	137	3	140	0	140	36.9	0.0	97.9
Construction	2515	227	2742	472	227	699	0	699	25.5	0.0	67.5
Trade and Hotels	7280	295	7575	4481	295	4776	17	4793	63.1	0.4	93.8
Transport	2001	47	2048	1316	48	1364	0	1364	66.6	0.0	96.5
Finance	1636	42	1678	1414	42	1456	25	1481	87.0	1.7	97.1
Insurance, Real Estate and Business Services	1686	326	2012	941	326	1267	36	1303	63.6	2.8	74.3
Other Servcies	2286	128	2414	936	128	1064	32	1096	44.8	2.9	88.0
Government	15680	519	16199	12851	519	13370	365	13735	84.8	2.7	96.1
TOTAL	74683	2836	77519	28501	2567	31068	537	31605	40.8	1.7	91.7

(a) Excludes Swaziland Railways and Airlines

(b) Includes the education sector but excludes the Police and Defence Force.

Source: National Manpower Survey, 1986.

Note: The estimates of employment in this survey in the manufacturing employment is overestimated while employment in Agriculture is underestimated, therefore the estimates differ considerably from the official estimates of the Government Central Statistics Office. This is due to differences in the industrial classifications adopted for the survey.

Occupational and Sectoral Distribution

2.9 Structurally, skilled employment is dominated by workers with lower level skills. About a third of all skilled employment consists of clerical and manual workers, while professionals and sub-professionals respectively, form about 13.5 percent and 18 percent of the total skilled workforce. This is due largely to the employment by government of a large number of primary and secondary/high school teachers who form the bulk of workers in the professional and sub-professionals groups. However, the private sector's share of professional employment is larger than that of government's when secondary/high school teachers are removed from consideration. Moreover, the private sector employs nearly 60 percent of professionals with technical and scientific skills. On the other hand, government sector employs the majority of all sub-professionals when primary school teachers are excluded from consideration. Finally, nearly three-fourths of all clerical and manual workers are employed in the private and parastatal sectors.

Sex

2.10 Men are predominant in all sectors and in all occupational groups, constituting 75 percent of the total number of skilled employment. However, government employs more female skilled workers than the private and parastatal sectors, both absolutely and relatively. Female representation in skilled employment is higher, 33.5 percent of skilled jobs. Female skilled government employees constitute 57 percent of all skilled females in wage employment. The second and third largest concentration of skilled female workers is in the trade and hotels, 18.5 percent of all skilled females, and finance, sectors respectively.

Age and experience

2.11 About 44 percent of all skilled workers are between the ages of 25 and 34. Those within the age brackets of 35 and 44 constitute another 29 percent of skilled workers. These proportions work out to about 75 percent and 72 percent respectively for government and private and parastatal sector skilled employment.

2.12 On the whole, expatriates in skilled employment tend to be older than their Swazi counterparts. Whereas approximately 45 percent of Swazis are aged 35 or more, some 65 percent of skilled expatriate manpower are aged 35 or more. The average ages of skilled workers in the government sector were approximately 43 years and 36.5 years for expatriates and citizens respectively. In the private and parastatal sectors, the average ages are 41 and 34 years for expatriates and citizens respectively.

2.13 Expatriates seem to have significantly more years of working experience on average than Swazis. In the private and parastatal sectors, expatriates had, on average, nearly 9 or more years of working experience than Swazis. In government it was 20 years as opposed to 12 yeaars for expatriate and Swazi government employees respectively.

Nationality

2.14 Nationals of countries with close geographical, economic or historical links with Swaziland constitute over two-thirds of all expatriate held skilled jobs. British and Southern African citizens together account for 55 percent, the highest proportion of the total of skilled expatriate workers. The next largest group of skilled expatriates, 12 percent of the total, is from Mozambique. Nationals from other African countries comprise nearly 9 percent of skilled expatriates. The remaining portion of expatriates of European, North and South American and Asian countries and Australia.

2.15 The largest concentration of expatriates is in government closely followed by the manufacturing sector which together has about 20 percent of all expatriates. The predominance in the private and parastatal sectors. Over 70 percent and 55 percent respectively, technical and non-technical professionals employed by private companies and the parastatals are expatriate, as are about 24 percent technicians. For example, expatriates constitute 86 percent of accountants, 75 percent of Engineers, 55 percent Architects and Surveyors, 54 percent of Medical Doctors and 45 percent of Engineering Technicians. Also over 60 percent of the business managers are expatriates.

Table 2 gives a detailed distribution of skilled workers by sector and citizenship by year 1986.

Education and Training

2.16 Over 70 percent of all workers have at least a Junior Certificate and some 12 percent have at least a Bachelor's Degree. Among skilled Swazi workers, 68 percent have a Junior Certificate or higher qulaifications and 8 percent have at least a degree. Expatriate workers are more highly educated than Swazis, with 94 percent possessing Junior Certificate or higher qualifications and 56 percent possessing a Bachelor's degree or Post-graduate qualifications. Details of educational qualifications of skilled workers by sector are given in Table 2.

2.17 Public servants are more highly educated than the private sector workers, 73 percent versus 68.5 percent with Junior Certificate or higher qualifications. Government employs 61 percent of nationals who have degrees or post-graduate qualifications. On the other hand, the private and parastatal sectors employ the majority, 74 percent of expatriates with degrees or post-graduate qualifications The proportion of expatriates with degrees and post-graduate qualifications is higher in the government sector than in the private and parastatal sectors: 73 percent versus 52 percent.

2.18 About 57 percent of all professionals have degrees or post-graduate qualifications and 93 percent have Cambridge Overseas School Certificate or higher qualifications. Among Swazi professionals, nearly 49 percent have degrees or higher qualifications while approximately 80 percent of expatriate professionals have similar qualifications. Nearly all, 97.2 percent professionals in technical and scientific occupations have university level qualifications with expatriates accounting for about 52 percent of this group. Of the workers in clerical and mannual occupations who need to have completed secondary education, 80 percent have Junior Certificate or higher qualifications and about 84 percent of the same group of employees have a primary certificate.

2.19 Training too, in addition to education, forms a very important means for skills development. For some occupations, employers prefer to train as a substitute for formal education. As many as 68 percent of all skilled workers have received some form of training. The single most common form of training is on-the-job training which about 23 percent of the total number of skilled workers have received. More government employees have received training than private sector employees simply because government sponsors its employees to attend various training courses. It is relatively seldom that the private sector sponsors their employees for training.

TABLE II. DISTRIBUTION OF SKILLED WORKERS BY EDUCATIONAL QUALIFICATION, SECTOR AND CITIZENSHIP

QUALIFICATION	GOVERNMENT SECTOR			PRIVATE & PARASTATAL SECTORS			ALL SECTORS		
	Swazi	Non-Swazi	Total	Swazi	Non-Swazi	Total	Swazi	Non-Swazi	Grand Total
None	908	-	908	1271	60	1331	2179	60	2239
Primary Certificate	2668	7	2675	4162	87	4249	6830	94	6924
Junior Certificate	3872	20	3892	5148	171	5319	9020	191	9211
COSC	3324	41	3365	3646	257	3903	6970	298	7268
JMB	158	18	176	108	159	267	266	177	443
Part I UBS or Equiv.	451	53	504	376	254	630	827	307	1134
Degree or equiv.	1268	236	1504	814	681	1495	2082	917	2999
Post-graduate	202	144	346	125	379	504	327	523	850
TOTAL	12851	519	13370	15650	2048	17698	28501	2567	31068

Source: National Manpower Survey, 1986.

3. EMPLOYMENT TRENDS, 1980 - 1985

GDP and Employment Growth Rates

3.1 Employment and unemployment trends in Swaziland, like in several other countries, tend to be affected by the trends in the economic growth of that particular country. Swaziland has in the past been going through a recessionary phase in her economic growth rate and therefore so has the employment growth. It should also be noted that Swaziland is in the midst of a region that is experiencing considerable social, economic and political turmoil to which Swaziland herself is inevitably highly vulnerable. The official target rate of growth of the Gross Domestic product which is 2.2 percent is normally associated with the projection of employment growth. This has in the past fluctuated so considerably that it is most unlikely that total wage employment will increase to 80,000 as projected by 1987. As the economy grows so does the occupational structure of employment change. Different occupations will change depending upon the different growth rates of the respective sectors or industries. It is projected that employment will continue to be dominated by agriculture, manufacturing trade and hotels and government. The overall occupational structure of future employment will be greatly influenced by the manpower demands of these sectors.

Total Employment in the Money Sector

3.2 The latest hard data available on employment is up to 1985. It should be stressed at the outset that there is hardly any data available on unemployment because of the complexity of the definition of the term "unemployment" in the Swazi economic context. As can be seen from Table 3, employment in this sector actually decreased from 85,815 in 1980 to 85,602 in 1985. This is mainly due to the drastic fall in the number of paid employees from 55,077 in 1980 to 50,533 in 1985, a drop of 4,544 jobs or over nine hundred jobs annually over the five year period. The number of people in self employment naturally increased, now that paid employment opportunities were drastically decreasing. In 1980 the number of such people rose from 753 to 1295 in 1985 which is an increase of approximately 72 percent. The number of Swazis who find themselves inevitably involved in small trading is increasing rapidly too from its 2100 level in 1980 to 2600 by 1985, a percentage increase of 23.8 over the five year period. The growth of employment in the public sector has been very modest; from 20,047 to 22,351 in 1985. Thus the fluctuations in economic rate of growth evidently influence the trends in employment growth in the money sector. It will be noted that 1981 and 1983 are said to have been good years economically and this is clearly reflected in the employment figures for those respective years.

TABLE III. TOTAL EMPLOYMENT IN THE MONEY SECTOR, 1980 - 1985.

PRIVATE SECTOR	1980	1981	1982	1983	1984	1985
Paid employees	55077	57243	54775	54327	53605	50538
Self employed	753	756	867	1197	1116	1290
Unpaid family workers	546	431	540	597	557	377
Small Swazi Traders	2100	2200	2300	2400	2500	2600
Employment by Private Homesteads	7292	7496	7706	7922	8144	8445
TOTAL	65768	68126	66138	66443	65922	63251
PUBLIC SECTOR	20047	22496	22582	24246	23792	22351
TOTAL	85815	90622	88770	90689	89714	85602

SOURCE: EMPLOYMENT AND WAGES, CSO 1985 REPORT.

Paid Employees in the Private and Public Sectors

3.3 There were a total of 55,077 paid employees in the private sector and 20,047 in the public sector giving a total of 75,124 paid employees in both sectors in 1980, as shown in Table IV. By 1985, this total had dropped to 72,884, a drop of 2,240 or 448 jobs annually over the five year period. The most significant drop being in the private sector of as much as 8.25 percent. There were indeed considerable variations over the years as can be seen from Table IV.

TABLE IV: PAID EMPLOYEES IN THE PRIVATE AND PUBLIC SECTORS, 1980 - 1985

INDUSTRY GROUP	1980	1981	1982	1983	1984	1985
100 Agriculture and Forestry	29958	26745	24657	24664	26423	23034
200 Mining and Quarrying	2588	2580	2492	2227	2335	2415
300 Manufacturing	9253	13880	11708	11296	9639	10600
400 Electricity & Water	1216	1453	1091	1139	1332	1324
500 Construction etc.	6079	6754	7426	6832	5925	3632
600 Distribution etc.	5874	5862	6923	7671	6967	7051
700 Transport & Comm	3316	4399	4187	4638	4976	5413
800 Finance	2328	2510	2233	2472	3918	3264
900 Social Services	14512	15556	16631	17634	15882	16151
TOTAL	75124	79739	77357	78573	77397	72884

SOURCE: EMPLOYMENT AND WAGES, 1985 CSO REPORT

3.4 The Agriculture and Forestry, Mining and Quarrying and Construction Industry groups experienced severe falls in their employment capacities. That of Agriculture and Forestry had a drop from 29,958 employees in 1980 to 23,034; a drop of 6,924 employees or about 1,384 jobs annually. This is indeed significant especially in a group that is expected to provide a substantial number of employment opportunities. Owing to the slump in economic growth during this period, the severe drop in employment in the construction industry from 6,079 in 1980 to 3,632 in 1985 was to be expected. The drop in employment in the Mining and Quarrying Industry was less severe.

3.5 The Manufacturing, Electricity and Water, Distribution, Transport and Communication, Finance and the social services industries on the other hand recorded increases in their employment capacities. The transport and communications industrial group recording the highest increases of 63.2 percent over the five year period. The Electricity and Water group experienced the least growth of only 8.9 percent over the same period.

General Characteristics of Employment Trends in the Private Sector

3.6 In 1980, there were a total of 10,870 Swazis recruited for work in the mines in South Africa of whom 9,776 were in the Gold Mines, 304 in Explosive Engineering and Platinum Mines and 790 in the Coal Mines. By 1985, this number had increased to 16,188 or by 48.9 percent with the highest increase of 14,293 or 46.2 percent recorded in the Gold Mines over the five year period. There has indeed been a steady flow of migrant workers over this period. Owing to economic recession being experienced in South Africa, the increased mechanisation in the mines and the recent South African policy of giving preference to its own labour force in mine employment, a drastic reduction of Swazi labour recruited for the mines in South Africa is expected to take place in the near future. This will obviously have a serious effect on the employment/unemployment situation in Swaziland, especially in the jobs requiring lower educational levels. All male persons in the active labour force category with little or no education or training will have no alternative outlet for employment except to join the ranks of the already large percentage of job seekers in Swaziland.

3.7 A detailed breakdown of the paid employees in the private sector reveals that employment in the agriculture group has been affected most, from its 1980 of 22,989 to just 16,323 employees by 1985. A drop of 6,576 jobs or more than thirteen hundred jobs annually is indeed significant. As already pointed out, the Agriculture, Forestry, Mining and Quarrying, Construction, Finance and Social Services have experienced significant drops in their employment possibilities over the period under consideration. It is only the Manufacturing, Distribution, Transport and Communications that have had a moderate increase in employment over the same period. Considerable variations though have occured in each group of employment within the private sector.

3.8 Paid employment in the private sector by Industry and skill classification for 1983, 1984 and 1985, the years for which this kind of data is available, shows that employees in the non-manual category which covers the professionals, administrative, clerical and skilled employees, totalled 8,697 in 1983, dropped to 7,657 in 1984 and then shot up to 8,980 in 1985. Similar fluctuations are recorded in the manual workers category which embraces semi-skilled and unskilled employees. Employment within this type of employees was at the levels of 46,581 in 1983, 44,401 in 1984 and 41,653 by 1985.

3.9 Employment in the private sector by sex for 1983, 1984 and 1985 remained fairly constant. Out of a total employment of 54,327 in 1983, 40,554 employees or 74.6 percent were male; in 1984 there were 40,158 male or 74.9 percent of the total number of 53,605 employees. Finally in 1985, 37,671 male employees or 74.5 percent were recorded, out of a total employment of 50,533. In all occupations, as would be expected judging from the population figures for male and female population, men dominate all occupations.

3.10 There is a relatively small proportion of non-Swazi employees in the private sector in all industry groups of the economy in Swaziland. In 1982 Swazi citizens constituted 52,447 or 95.7 percent out of a total employment of 54,776. This proportion compares favourably with that of 1983 which is 96.0 percent. That proportion of Swazis to non-citizens in 1985 was at the same level of 96.0 percent of total employment in the private sector. The proportions by skill of Swazis to that of non-Swazis is however not as pronounced as they are reflected in absolute numbers. For example, Swazi citizens constituted only 58.3, 58.7, 56.2 and 65.4 percent for 1982, 1983, 1984 and 1985 respectively of professional employees in the private sector. This may be compared with Swazi held semi-skilled and unskilled occupations which were 97.1 and 99.6 percent respectively in 1982, maintaining more/or/less similar proportions by 1985.

General Characteristics of Employment Trends in the Public Sector

3.11 Employment in the public sector too was subject to dramatic fluctuations during this five year period. In 1980 total paid employment in this sector was 20,047 which rose to 24,246 in 1983 and then dropped in 1985 to 22,351. As in the private sector, the construction industry had a major crisis with employment falling from 2,353 in 1980 to just 1,629 by 1985, a fall of as much as 30.7 percent over the five year period. Detailed employment trends and fluctuations in the public sector are shown in Table 5.

TABLE V: PAID EMPLOYMENT IN THE PUBLIC SECTOR

INDUSTRY	1980	1981	1982	1983	1984	1985
110 Agriculture	2350	2632	2153	2544	2480	2243
120 Forestry	69	58	58	62	58	57
400 Electricity & Water	1216	1453	1091	1139	1332	1324
500 Construction	2352	2409	2782	3033	2572	1629
600 Wholesale & Rel Trade	-	-	9	-	-	-
710 Transport & Storage	1278	1533	1507	1645	1640	1711
720 Communication	890	1356	971	971	838	846
810 Financial Instruction	-	-	330	303	322	342
820 Insurance	-	-	194	209	215	229
820 Personal Household Services	-	-	27	14	899	302
910 Public Admin.	5031	5717	6415	6968	5781	5937
931 Educational Serv.	5725	5655	5441	5476	5859	5943
932 Research	-	-	126	120	120	119
933 Medical Services	1071	1006	1097	1179	1207	1151
934 Welfare Institution	-	-	13	3	6	12
939 Other Soc. & Rel. Com Services	-	151	147	220	231	246
940 Recreation & Cult Services	-	22	163	261	174	202
960 Inter. & Other Rel Bodies	-	104	58	58	58	58
TOTAL	20047	22496	22582	24246	23792	22351

SOURCE: EMPLOYMENT AND WAGES, 1985 CSO REPORT

3.12 Unlike in the private sector where the proportions of male employees have remained constantly high over the recent past, those in the public sector have shown an encouraging trend in favour of female workers. This proportion decreased even further to 67.2 percent by 1985. This trend is likely to continue in future years.

3.13 With a total employment of 23,792 in the public sector in 1984, 15,214 persons or 63.9 percent were in the category of non-manual workers. These constituted the professionals, administrative, clerical and skilled employees. In the following year, 1985, the above proportion fell only slightly to 63.4 percent with a total employment in the sector of 22,351. The skill differentiation in the public sector is less erratic than in the private sector.

3.14 The proportion of female employees in the non-manual category is very impressive. Out of a total of 15,214 non-manual employees, 6,494 or 42.7 percent were female by 1984. In the following year, this proportion increased to 44.6 percent out of a total non-manual labour force of 14,179. In the manual workers category, the female proportion is low naturally, showing only 983 female workers or just 11.5 percent out of a total 8,578 manual workers in 1984. In 1985 this proportion increased slightly to 12.2 percent female workers in the manual workers category.

4. PROBLEMS CONSTRAINING RAPID EMPLOYMENT GROWTH

4.1 The ability of the economy to avoid serious and sustained unemployment depends to a great extent on the capacity of the traditional rural sector, through change and modernisation, to absorb substantial amounts of additional labour. As has already been observed, employment generation is dependent upon the level and extent of the rate of growth of the economy as a whole. In order to avoid a fall in the standard of living of those in employment, and to reduce the rate of unemployment in general, the absorption of the labour force must occur in a productive and remunerative manner.

4.2 The real economic growth in Swaziland has been slow over the last ten year period, allowing an increase in per capita incomes of only about 1.5 per cent per annum, which is not sufficient to provide jobs for all new entrants to the labour force. Earlier on, the elasticity of formal sector employment with respect to real Gross Domestic Product was about one percent increase in real Gross Domestic product to a 0.72 per cent increase in paid employment, but this situation has of late considerably come down. This implies that Swaziland's recent expansion has become increasingly capital-intensive in nature. It also implies that to provide the same growth in the job market as in the past, the economy has to grow much faster.

4.3 Employment trends for the last five years indicate that the growth of paid employment is slowing down very fast. Since the Swazi economy is structured on a renewable resource base producing commodities with a significant value added, the structure is growth oriented, based on the successful expansion of export-oriented, large scale and frequently capital-intensive production. The present pattern of economic development therefore, with its capital intensive emphasis and an employment elasticity that is steadily decreasing, cannot provide adequate employment opportunities for the new entrants to the labour force. This is certainly one major factor that constrains rapid employment growth in Swaziland.

4.4 Due to the high population growth rate and the youthful age structure of the population, the demand for formal sector jobs will continue to outstrip the supply of formal sector jobs. Based on the current demographic trends, the estimated gross additions to the labour force will be in the order of 10,000 persons per annum. The Fourth Five Year National Development Plan, 1983/1984 - 1987/88, forecasts that unless there are additional major new investments over the Fifth Plan period, formal sector employment will grow by 1.7 per cent or by 1,300 positions. An additional 1,200 persons will be employed through replacement (retirement, death etc.) and a further 1,200 will be employed as first time employees in the South African mines and an additional 700 will become self-employed.

4.5 On the average, 4400 persons will find employment in the formal sector annually over the forthcoming five year period compared to the demand for employment of approximately 8,500 per annum. This implies that there will be an average increase of people seeking formal sector employment and not finding jobs to the tune of 4,100 per annum. Thus the modern wage sector will be decreasingly able to employ school leavers.

4.6 The real economic growth rate would have to increase at an alarmingly high rate, during the next five years, but which is most unlikely, in order to absorb all the available labour. It is also unlikely that there will be a substantial change in the production input mix in favour of labour over capital. As long as each new investment is expected to be in the private foreign hands, this situation is unlikely to change. Government will have to ensure that the institutional barriers that inhibit job creation and increase the real cost of labour are kept to the minimum.

4.7 A comparison of the forecast growth in the labour force with the growth in wage employment clearly shows that the present pattern of economic growth will not provide adequate jobs and incomes for most of the new entrants to the labour force. The pace of economic growth will have to accelerate at a compound real growth rate of 8.3 per cent per annum to absorb all the new entrants into the formal sector. A growth rate of this magnitude is not sustainable over the medium or the long run and it must therefore be recognised that it is unrealistic to expect the formal sector of the economy to provide sufficient skilled and semi-skilled jobs for all school leavers. The informal sector, particularly agriculture, will unfortunately be in a position to absorb mainly manual workers and certainly far less of the skilled manpower.

4.8 Expatriates occupy a position in the economy that is out of proportion to their total numbers, especially in the agro-industries and business services sector. Expatriates account for a significant proportion of workers in specific high level occupations and occupational groups. Their earnings too and general conditions of service tend to be significantly better than that of Swazis in similar positions. Thus their presence inflates the wage bill of the economy and there is therefore certainly good reason to seek reduction of the employment of expatriates and to localize their posts. This would have a positive effect in as far as increasing employment in the country is concerned. It should be understood though, that localisation has to be properly planned, carefully approached and systematically implemented. Firstly immediate substitution of citizens for expatriates could lead to reduced productivity. Secondly, since the private sector expatriates tend to work for enterprises that are either completely foreign owned or have substantial foreign investment, any injudicious pressures for localisation would be accompanied by unwelcome repercussions on Swaziland economy, such as the withdrawal of a number of important companies.

4.9 Perhaps it is most appropriate to end this chapter on problems constraining rapid employment growth with a quotation from Dr. S.M. Pefile's doctoral thesis on, "Swaziland's Post-independence Localisation of Technical and Managerial Posts in the Private Sector." It states, in part, "The South African investor in particular, who is the major investor in Swaziland, rightly sees his enterprise as a profit making organisation which has an obligation first to its shareholders to reap maximum benefits. This is a true capitalist approach untinted by any socialistic considerations. Government on the other hand expect such enterprise to at least sacrifice a portion of their profits towards training of locals to possibly take over some of the managerial positions in any given enteprise, and hence increase employment of the Swazis. The South African investor on the other hand views this consideration as totally unjustified and aimed at minimising his profits. Hence rapid employment growth in this respect is completely stiffled because while Government may wish to impose coersive measures for localisation, the private enteprise ignores Government's attempts in this direction and merely plays a passive role".

4.10 Finally, Swaziland's narrow consumer base and the weak background and development of technical education are additional factors that contribute to the slowing down of employment growth in the country.

5. CAUSES AND MAGNITUDE OF EDUCATED UNEMPLOYMENT AND THE BRAIN DRAIN

5.1 Although persons without any education have been the only victims facing a critical difficulty in finding jobs in the past, the problem of unemployment amongst Secondary School leavers has beg n to show serious proportions, especially in the last five years. Conservative estimates put persons with between one and three years of Secondary Schooling at 17,000 additional Swazis by 1980 who were unable to find skilled jobs in the formal sector. The main cause for the development of this magnitude in educated unemployment has been and continues to be the rapid expansion of Form one places which has been much faster than the growth of formal jobs. The Junior Certificate is no longer a guarantee for access to skilled clerical and craft occupations, and many of the school leavers will either have to lower their occupational aspirations, or remain unemployed.

5.2 Since the rapid expansion experienced at the lower secondary school level is inevitably being extended to the higher levels of secondary/High School education, it is estimated that about another 5000 additional persons will join the labour market over the 1980 - 1987 period. Even if there were to be localisation of jobs which require this level of training, there would still be 1100 Swazis with these qualifications unable to find jobs at this level. Such people may have to lower their aspirations too and take jobs for which those with less education had previously been eligible.

5.3 As more children join the Secondary school streams, it will become increasingly necessary to re-orientate the education system to a more broadly based education in which all children will participate. A wider, more relevant and more practical education that will be of greater benefit to the majority of children who will inevitably go back to the rural rather than urban areas.

5.4 The majority of students who complete these levels of secondary education will not be able to find formal sector jobs and the benefits this level of education will bring will not be seen only in terms of formal employment. Until people's attitudes towards this change, there will be continued pressures for the creation of more secondary school places because of the link people make with employment. There is however a strong need to effect a reduction in the earnings differentials between skilled and unskilled and between rural and urban work if serious levels of unemployment, and a misallocation of educational resources, are to be avoided.

5.5 Given this apparent surplus of Secondary/High School leavers, there is bound to be an escallation of qualifications required by potential employers. This may have an effect on general productivity, although the present quality of education needs much improvement. There is a cronic shortage of Swazis in jobs requiring a high degree of competence in technical and scientific fields. There is even a serious shortage of science teachers. This calls for the intensification of the science emphasis in schools.

5.6 There will be an oversupply of new trainees for jobs in sub-professional technical occupations. If the present trends continue, the overall supply will be in order of four times the number of projected employment opportunities in this field. There is therefore a critical need to monitor and review the qualitative needs for technical and vocational training thus increasing the quality and producing trainees who will have only the most critically needed skills.

5.7 The University of Swaziland is producing more of the scientific manpower and none of the Engineering, Computer Science and Medicine. Such professions face serious shortages and will continue to experience these shortages until the local University or Government makes concerted effort to either introduce such courses at the University or arrange for students to be sponsored in outside Universities that offer such courses. It is also expected that there will be shortages of non-science professions such as Accountants, Economists, Business Management and Public Administration. Unfortunately sponsorship at outside universities has been on the decrease because of escalating costs.

5.8 Assuming that the flow of migrants will continue at the level of 4.2 per cent of the recent past, mainly to the South African farms and mines, it is estimated that by 1987, this migration will be between 11,000 - 13,000 mark of Swazi workers in South Africa.

It is however likely that the de jure Swazi labour force working in South Africa will decline and the resident domestic labour force will increase at a rate faster than the rate of population growth. The contract labour system under which Swazis work in South Africa is obviously undesirable in many respects especially in as far as social problems arising from family separation over a prolonged period and the South African Government's discriminatory labour policies are concerned. But it will be appreciated too that it is the poorest Swazi families that look for survival and dependence for their income in the South African mines. In future though, with increasing unemployment of the educated, this group too may start looking for a livelihood by working in the mines. Unfortunately given the above situation, it may not be easy for new entrants to gain entry into these mines even if they might be more educated than the previous group.

5.9 So far, Swaziland does not seem to be suffering from any serious brain drain of its educated people compared to some other African countries like Uganda or Ghana. The only detected but slight trace of this phenomenon that is yet to be quantified, relates to a few Swazi students who get scholarships to study for professional courses such as medicine and engineering, most particularly within the Southern African region. Such students, it is stated, prefer to remain or to drift to either South Africa proper or to the neighbouring homelands on completion of their courses. This situation is created mainly because the salaries including related fringe benefits in those states far outweigh those offered in Swaziland. This development is fast affecting the other professions including secondary school teachers and educational administrators whose salaries and benefits more than double the moment they cross the Swaziland border to the homelands or to the Republic of South Africa.

6. THE STATUS OF EMPLOYMENT PLANNING

Educational Planning

6.1 Educational research and planning has been carried out by the Ministry of Education with technical assistance from UNESCO/SIDA as far back as 1970. This activity is considered the largest and most serious activity of Government dealing with educational research, planning and development. It has been noted with satisfaction that the quantitative expansion of the education system has been achieved at almost all levels of the education system, including Universal Primary Education. Be that as it may, it has also been noted that this expansion has brought with it serious adverse effects in as far as the numbers of educated unemployed school leavers are concerned. This situation is fast manifesting itself at almost each level of the education system. As has already been stated, Swaziland has started experiencing unemployed Primary, Secondary/High School leavers and to some extent unemployment of certain categories of University graduates.

6.2 While it is realized that education is not for merely fitting manpower cogs, it would be unfair to the children of Swaziland if their educational preparation did not fit them for the work activities in the community. The qualitative aspects of the education system have therefore to be given priority attention by effecting the necessary orientation to the Primary and Secondary School Curricular that are consistent with the forms of educational preparation and vocational education demanded by the labour market. A diversified education system has therefore been recommended and concerted efforts are now being made to introduce these aspects into the entire education system. This has been done but it should be noted that it is necessary to liaise with a functioning central manpower planning department that would offer a careful and continuous assessment of labour market requirements and conditions. Unfortunately such a department is not yet in place. If this were available, then it would be possible to effect the necessary restructuring and reorientation of courses offered at the various levels of education. It cannot be overemphasized that for cost-effectiveness in educational development, the school system output including University should be closely related to manpower requirements of the economy.

6.3 The functioning of the education system in relation to the labour market can be greatly enhanced if there exists an effective Career Guidance and Counselling service. The present one is just starting, has neither the appropriately qualified nor the experienced staff to run and operate an effective service to assist with the numerous employment problems of Swaziland. The existing skeleton unit has therefore to be expanded considerably and establish close cooperation with the national employment service. This will then create an efficient execution of its expected role in the direction of manpower resources to where these could be more effectively harnessed and productively utilized.

Training

6.4 Several Government institutions are involved in training development but at present there is no co-ordinating mechanism to put these training efforts together. This leads to unnecessary overlap and duplication of such efforts. It also leads to inefficient use of the scarce resources in the entire country. A need has been identified for the creation of an organ that will be responsible for the promotion and co-ordination of a national training development programme. Government has just enacted legislation to establish a body which would co-ordinate all training activities in Swaziland to eliminate duplication and waste of resources. such a body will be expected, among other things,

a) to promote qualitative and quantitative development of training within the economy,

b) monitor current training demand and supply situation in all occupational fields, and

c) assess and plan future training needs, etc.

Labour Market Development

6.5 Since there is hardly any employment or manpower planning going on in the country there is at present no deliberate and planned aim to achieve a balance between demand and supply of manpower through the efficient matching of workers to jobs. There is no mechanism for vocational guidance and assistance for new entrants to the labour market and to those workers seeking to change their jobs in tune with their abilities, aptitudes and ambitions. At present Government does not have the capacity to plan wages and other incomes so as to direct labour to the areas, sectors and occupations where it is required. There is a growing need to review wage setting procedures in the public and private sectors and to analyse general wages in Swaziland and in South Africa for levelling off minimum wages and wages for specific occupations and skills. These are some of the important issues that have to be considered if employment planning is to proceed as desired. Unfortunately so far it is not possible to assess the impact of the lack of such mechanisms.

6.6 The Ministry of Labourscapacity to assist with the placement of job-seekers and to advise and counsel them on career options and choices has to be strengthened in order to facilitate labour market mechanisms effectively. Labour market information development too has to be strengthened. This is vital for effective manpower/employment planning, given the fact that the size and structure of the labour market is totally inadequate, the magnitude and distribution of unemployment and underemployment, as already mentioned, is not known, including internal and external migration. All these are necessary prerequisities for efficient employment planning.

Employment and Development Planning

6.7 The issue of employment planning, given the several employment problems and shortcomings identified, is vital if the potential of Swaziland's human resources are to be maximised for national development. As already mentioned, there has not been sufficient monitoring and control of systematic development of employment plans and programmes. Many activities essential to national manpower planning and employment planning in general have not been carried out either through lack of appreciation of their importance or through insufficient allocation of personnel for effective implementation. It will be noted though that some functions relating to manpower and employment development, training development and labour market development have in the past been carried out on an adhoc basis but not as systematically and meticulously as they should.

6.8 A manpower survey was conducted in 1986 and a report submitted to Government for consideration. An exercise of this kind obviously forms the basis and starting point for the implementation of any nation's manpower and employment planning strategies. Among other important issues raised and recommendations made, was the one relating to the establishment of an institutionalized Manpower Planning Unit within the Department of Economic Planning and Statistics. Such a Unit, once established and adequately staffed, would be expected to develop a basic framework within which sufficient employment opportunities both in Government, private and parastatal sectors will be created to cater for the economic needs of the population. It will also be expected to guide investment in education and training to improve the skills levels of the population.

6.9 The establishment of a Manpower Planning Unit alone would not be expected to achieve comprehensive employment planning including the involvement of a wide range of institutions and functions. Several institutions exist already but lack adequate co-ordination and in need of considerable strengthening and development. The major problems relate to staffing so that a capacity is firmly established to conduct manpower assessment and planning, leading to a coherent employment planning mechanism. The building of such capacity within Government becomes the more urgent and vital in view of the impending serious unemployment problem and imbalance between the skill requirements of available jobs and the skill structure among persons seeking employment. The status of employment planning in Swaziland therefore, as has already been observed, is quite unsatisfactory. Technical assistance in terms of personnel and equipment is thus required to develop such capacity and should be based in one of the Central Government Ministries, namely Department of Economic Planning and Statistics. If such a project is drawn up, the main objective should be to establish an indigenous capacity capable of directing the execution of employment programmes throughout all the economic sectors of the country.

6.10 In the absence of a properly functioning and adequately staffed manpower planning unit, wide ranging research and analysis of the labour market is not yet touched and it is therefore not possible to investigate in detail such matters as unemployment and underemployment, manpower constraints, wages and incomes, internal and external migration and the education and skill requirements of occupations. It is also not yet possible to prepare projections of manpower demand and supply in order to provide guidance to educational planners. In the absence of such capacity and because of the absence of a comprehensive manpower plan, the impending employment crisis for school leavers cannot even be contained at least in the near future.

7. MEASURES FOR INCREASING EMPLOYMENT OPPORTUNITIES IN SWAZILAND

7.1 The creation of an adequate number of employment opportunities has been and continues to be one of the major challenges facing Swaziland. The number of people in paid employment has been fairly stagnant during the period 1980 - 1985. In 1984, employment in both private and public sectors dropped, resulting in a decrease in employment in the formal sector by 1.5 per cent.

7.2 The 1986 manpower survey results clearly show that overall employment opportunities in the formal sector will not be sufficient to absorb all of the output from the education and training system over the medium term. The output of school leavers by the education system has been much greater than the availability of modern sector jobs. Attempts to redirect school leavers to the informal sector in the homesteads and farms after they have been exposed to some education and enlightment, have not met with much success.

7.3 Based on an economic growth of 2 per cent the economy is presently forecast to provide employment for 24 per cent of the working population as compared to 28 per cent five years ago. In order to increase employment opportunities in Swaziland, it is deemed imperative that employment elasticity must be increased. It is proposed that this can be achieved through a combination of measures.

Labour Market Clearing Costs

7.4 As has been indicated earlier, the private sector has essentially set the pattern of employment benefits, with the market clearing cost of labour in the private sector related to conditions in the international labour market. Owing to the absence of uniform national operating criteria in the parastatal sector, the employment benefits found in the private sector are duplicated in the parastatal sector without reference to commercial principles and consequently passed on to the Civil Service piecemeal. A combination of such influences greatly reduce the growth in formal sector employment.

7.5 It should also be stressed that over-rapid increases in wages can drastically curtail employment. Through agreement with Government therefore all parastatal bodies should be subject to formal commmercial operating criteria. This will in the long run enable the wage and salary levels of the parastatals to increase at a rate below the rate of inflation.

7.6 Given the fact that the Civil Service has in the past experienced rapid expansion in numbers and a squeezing of wage margins between the upper and lower skill levels, this has had an adverse effect on the capacity and morale of the top echelons of Government service. Government has since drastically reduced its job creation tendency just for the sake of employment criteria since this is regarded as not a viable long-term economic policy. The burden of increasing employment opportunities in Swaziland is thus dependent upon the building up of a more vigorous private sector and a commercially disciplined parastatal sector.

7.7 Assuming that more managerial and technical skills become abundant with the increased production of manpower with these skills from the national institutions, it is incumbent upon Government to review its salary levels for this type and level of manpower. At present, these are very uncompetetive in Government compared with the private or the parastatal sectors. If the effectiveness of the public service is to be kept at the required level and in the interest of increasing employment, salary scales for this kind of manpower have to be reviewed periodically. If this is not done and such relevantly qualified persons cannot be absorbed into the private or the parastatal sectors and the salary levels are unacceptable to these persons, there will arise an inevitable brain drain particularly to the neighbouring states which pay much higher salaries to this category of personnel.

Real Value of Labour and Vocational Training

7.8 Comprehensive changes to the education system are an essential prerequisite to cater for the diversity of aptitudes and interests of pupils. It is important that the curriculum be diversified by strengthening and expanding practical arts education and prevocational training as well as technical and vocational education and training. This has already started in the existing national institutions for the craft, artisan and middle level technicians. These are gradually expanding and reorientating their programmes to provide skills in demand in the economy, both for those fresh from school and those already in employment for upgrading or retraining. This will immensely improve and change the work habits and attitudes to work in general of the entire labour force and in labour productivity. It is hoped that this improvement will be shared by both management and labour leading to considerable reduction in the real cost of labour.

7.9 The stage has now been set in the country's education system to provide the basic education for tomorrow's labour force. The quantitative education targets at all levels of the system have more than been achieved. The emphasis is now put on the improvement in both the quality of the teaching profession and the level of education achieved of the pupil through a deversified school curricular. Teacher training both in-service and pre-service to meet the demands of the new diversified curricular is to be intensified too. This will in the long run provide a very good base for those who aspire to pursue courses in the vocational fields for future employment in the occupations requiring technical skills. The main aim of these institutions, Swaziland College of Technology (SCOT) and Vocational, Commercial and Industrial Management (VOCTIM) is to link the formal education system with the work place - hence the location of VOCTIM next to the industrial area in Matsapha for practical on-the-job sandwich training. These institutions are vigorously forging ahead to translate the demand for skilled labour through labour/management councils into a supply from vocational training programmes. This is possible because of the existence of a few large employers and the compact nature of the country. University education too, is to be restructured in line with the changes to be introduced at the lower levels. Non-formal education and training to carry out responsibilities for life-long education and training for the bulk of the out-of-school population will also be intensified and expanded.

7.10 It should be noted though that all these measures mentioned are aimed at improving employment opportunities in the formal sector which is projected to absorb a maximum of 30 per cent of the working age population over the next five years. It is therefore vital and urgent that measures to promote productive employment opportunities in the rural areas be devised soon as a fundamental prerequisite to an employment promotion strategy.

Productive Rural Employment Opportunities

7.11 Development of agriculture automatically constitutes the primary concern of Government since this is the key sector in the generation of future growth and employment. For example, agriculture alone provides for 90 per cent of the formal employment. This sector therefore is expected to provide for about 50 to 60 per cent of the new jobs. The need therefore to prepare and execute rural development projects which increase informal employment particularly on the Swazi Nation Land, cannot be overemphasized.

7.12 The agro-industrial estate is structured on the intensive use of capital and has an inherent monocultural bias. This is a dominant feature of the agricultural set up in Swaziland. It mainly caters for the requirements of the balance of payments. The other arrangement is that of the Rural Development Areas programmes which assumes the form of resources transfers of social and physical infrastructure. This should, in addition, provide the means to employ and support the transfers in order to have a productive employment policy otherwise the system will merely be a welfare policy. All what this implies is that one system, the agro-industries provide employment opportunities and produce the wealth which is partly returned in the form of public amenities and wage remittances to traditional rural areas. At one stage, this arrangement was sufficiently robust to produce an economic growth rate in excess of the growth in the population. But since then, population growth has outstripped economic growth. Large scale estate ventures do not appear to be any longer physically or financially feasible because of the fragmented nature of the remaining land base suitable for irrigation. Structural adjustments must therefore be made in the rural areas and should respect the comparative advantage of the factors of production.

7.13 Small holder irrigated cash crop agriculture programmes have been encouraged in the rural areas and these show great potential for yielding substantial profits. Several of these types of small holder cash crop projects are therefore planned and are to be evenly located throughout the country. Water distribution schemes and the opportunity to optimise the use and management of water are to be developed in collaboration with other possible projects in each given area. Government is to give concessionary consideration to the financing of subsequent irrigation developments in the concept of small holder development. Hence agreement on the form, shape and nature of the proposed irrigation developments are pre-requisites to securing concessionary financing for a dam construction programme that will lead to the establishment of comparative productive employment opportunities in the rural areas and can be expected to lift the employment elasticity well above unity. The most important aim of the agricultural policy is to assist the Swazi farmer to achieve higher productivity and incomes and to become orientated towards the market place.

Rural Non-Farm Activities

7.14 There are several rural non-farm activities that are conducted by the rural masses. There is in fact considerable scope for expansion and improvement of the techniques by which such activities are carried out. There are the Homecraft type such as basket weaving, sewing, knitting and crotcheting; the Workshop Technical type such as woodwork, welding and construction; the Service type such as fruit/food selling. All these activities should be promoted with a view to enhancing productive employment and income generation among residents of the rural homesteads in the informal sector. These are small-scale family based priority activities directed at self-employment and supplementing family income. They employ additional labour on the farm of family and apprenticeship labour and less frequently on wage labour. These exploit immediately available resources and therefore depend on low-level skills, minimal capital resources and on relatively crude technology. Presently, such activities are severely limited in their potential to accumulate, to generate productive employment and to increase incomes. Training is therefore essential to enable the rural folk to acquire mental and manual skills that facilitate increased and efficient production. Training will enhance skill formation and increased income and employment. There is certainly a direct relationship between work intensity, education, vocational and informal training and remittances with income in rural non-farm activities. It is proposed that training should therefore be targeted toward aspirants with low education and income. Training in technical and mechanical skills should be directed at individuals with secondary school education and such training should be geared toward small scale manufacturing, food processing, repair and construction in rural areas.

7.15 In conclusion, it is clearly evident that the majority of Swazi workers wil remain untouched by formal sector growth. It is impossible that any feasible acceleration of formal sector development could even absorb the annual increment to the size of the domestic labour force; this would require employment growth rates in excess of 10 rercent per annum. Thus the number of Swazis living in poverty in the subsistence sector will continue to increase. To ameliorate this apparently bleak situation, the promotion of rapid industrial growth should be associated with special emphasis on labour-intensive industries in order to raise income and employment levels. Local enterpreneural and management capacity should be developed and industries established in the less developed areas of Swaziland. In this process, nationals should strive to attain a greater measure of control over industry. The processing sector should be upgraded to obtain maximum value from all local natural resources.

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